



October 23, 2014

Mr. Barry F. Murdock
Deputy Director
Office of Regulatory Policy
Farm Credit Administration
1501 Farm Credit Drive
McLean, VA 22102-5090

Re: RIN 3052-AC84 – Funding and Fiscal Affairs, Loan Policies and Operations, and Funding Operations, Investment Eligibility – Federal Register Number 2014-17493 (July 25, 2014).

Dear Deputy Director Murdock:

I would like to take this opportunity to comment on the above-styled Farm Credit Administration proposal. First, and most importantly, I believe any amendment to investment or lending authority like the Administration is pursuing here should proceed through actions by Congress as opposed to being accomplished by a regulatory body.

The proposed rule issued by the Farm Credit Administration (FCA) seeks to significantly expand investments held by Farm Credit Banks (FCBs) and Farm Credit Associations (Associations) under the guise of a required review of regulations under section 939A of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act).

Section 939A merely requires agencies to review regulations that utilize credit ratings and substitute other appropriate standards for review. This proposed rule goes far beyond that required review and rewrites investment eligibility for Farm Credit System (FCS) institutions.

This proposal is similar to what was proposed in 2005. That pilot program was discontinued in later years and now it appears the FCA is seeking to codify a program that failed. It doesn't make sense to me why the FCA would undertake this project again. FCBs do not have the same level of examination or compliance requirements as banks, and therefore, by definition, sophistication to engage in these types of investments and lending which we are seeing in FCB's system should not be allowed.

Sincerely yours,

Mike Mauldin
Regional President and CEO
First Financial Bank